

HANTAM MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2009

	Note	2009	2008
NET ASSETS AND LIABILITIES			
Net Assets		79 950 543	46 933 524
Capital Replacement Reserve			
Capitalisation Reserve			
Government Grant Reserve			
Donations and Public Contribution Reserve			
Revaluation Reserve		19 394 702	
Accumulated Surplus/(Deficit)		60 555 841	46 933 524
Non-current Liabilities		3 142 392	19 580
Longterm Liabilities	1	3 142 392	19 580
Current Liabilities		8 588 600	12 720 214
Consumer Deposits	2	403 983	376 620
Creditors	3.1	3 204 111	9 324 653
Employee Benefits	3.2	1 161 699	1 076 571
Unspent Conditional Grants and Receipts	4	3 556 790	1 931 633
VAT	5		-
Bank Overdraft	11		
Current Portion of Long-term Liabilities	1	262 017	10 737
Total Net Assets and Liabilities		91 681 535	59 673 318
ASSETS			
Non-current Assets		66 530 949	34 162 626
Property, Plant and Equipment	6	66 530 949	34 162 626
Current Assets		25 150 586	25 510 692
Inventory	7	420 057	6 303
Consumer Debtors	8	17 781 068	12 772 576
Other Debtors	9	1 207 927	535 298
VAT	5	439 846	30 701
Call Investment Deposits	10	4 955 732	11 747 675
Bank Balances and Cash	11	345 956	418 139
Total Assets		91 681 535	59 673 318

**HANTAM MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30th JUNE 2009**

	Note	2009 R	2008 R
REVENUE			
Property rates	12	4 334 577	3 352 324
Property rates - penalties imposed and collection charges			
Service charges	13	17 091 886	14 087 336
Regional Services Levies – turnover			
Regional Services Levies - remuneration			
Rental of facilities and equipment		1 797 390	190 915
Interest earned - external investments		768 594	659 128
Interest earned - outstanding debtors		1 060 014	884 530
Dividends received			
Fines		99 069	85 279
Licences and permits		1 062 890	939 715
Income for agency services			
Government grants and subsidies	14	11 169 021	9 242 060
Other income	15	440 756	338 070
Public contributions, donated and contributed property, plant and equipment		4 500 303	6 277 261
Gains on disposal of property, plant and equipment			0
Total Revenue		42 324 500	36 056 618
EXPENDITURE			
Employee related costs	16	13 652 328	12 264 060
Remuneration of Councillors	17	1 730 582	1 524 336
Bad debts		1 264 523	1 067 260
Collection costs		20 405	21 390
Depreciation		4 803 079	1 343 081
Repairs and maintenance		1 997 920	906 606
Interest paid	18	161 900	6 022
Bulk purchases	19	5 341 399	3 908 999
Contracted services		439 322	262 157
Grants and subsidies paid	20	86 060	2 340
General expenses	21	8 827 754	7 417 692
Total Expenditure		38 325 272	28 723 943
Loss on disposal of property, plant and equipment		2 396 606	
Share of surplus/(deficit) of associate accounted for under the equity method			
SURPLUS/(DEFICIT) FOR THE YEAR		1 602 622	7 332 675

Refer to Appendix E(1) for explanation of variances

HANTAM MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2009

	<u>Capital Replacement Reserve</u>	<u>Capitalisation Reserve</u>	<u>Government Grant Reserve</u>	<u>Donations and Public Contribution Reserve</u>	<u>Revaluation Reserve</u>	<u>Accumulated Surplus/ (Deficit)</u>	<u>Total</u>
	R	R	R	R	R	R	R
2008							
Balance at 30 June 2007	-2 683 748	-9 745 226	-5 997 716			-21 174 161	-39 600 851
Surplus/(deficit) for the year						-7 332 673	-7 332 673
Transfer to CRR	-250 000					250 000	0
Property, plant and equipment purchased	1 322 257					-1 322 257	0
Capital grants used to purchase			-5 848 317			5 848 317	0
Donated/contributed PPE				-428 944		428 944	0
Offsetting of depreciation			290 599			-290 599	0
Change in accounting policy (Note)	1 611 491	9 745 226	11 555 434	428 944		-23 341 095	
Balance at 30 June 2008	0	0	0	0	0	-46 933 524	-46 933 524
2009							
Surplus/(deficit) for the year						-1 602 622	-1 602 622
Correction of Error						-12 019 694	-35 339 755
Revaluations					-23 022 102		
Offsetting of depreciation					3 627 400		3 627 400
Balance at 30 June 2009	0	0	0	0	-19 394 702	-60 555 840	-80 248 501

HANTAM MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		R	R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		34 380 410	34 063 491
Cash paid to suppliers and employees		-36 517 039	-26 142 443
Cash generated from/(utilised in) operations	24	-2 136 629	7 921 048
Dividends received			
Interest received		768 594	550 193
Interest paid		-161 900	-6 022
NET CASH FROM OPERATING ACTIVITIES		-1 529 935	8 465 219
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-8 735 646	-7 599 518
Proceeds on disposal of property, plant and equipment			
Increase in investment properties			
(Increase)/decrease in non-current receivables			
Increase in non-current investments			
Decrease in call investment deposits		6 791 943	-1 561 907
NET CASH FROM INVESTING ACTIVITIES		-1 943 703	-9 161 425
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		3 374 092	-9 192
Increase in consumer deposits		27 363	41 844
Decrease/(increase) in short-term loans			
NET CASH FROM FINANCING ACTIVITIES		3 401 455	32 652
NET DECREASE IN CASH AND CASH EQUIVALENTS		-72 183	-663 554
Cash and cash equivalents at the beginning of the year		418 139	1 081 693
Cash and cash equivalents at the end of the year	25	345 956	418 139
		72 183	663 554

HANTAM MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
1. LONG-TERM LIABILITIES		
Annuity Loans	3 019 580	30 317
Capitalised Lease Liability	384 829	
Sub-total	3 404 409	30 317
Less : Current portion transferred to current liabilities	262 017	10 737
Annuity Loans	158 961	10 737
Capitalised Lease Liability	103 056	
Non-Current portion of Long Term Loans	3 142 392	19 580

Refer to Appendix A for more detail on long-term liabilities.

	Within 1 Year	Up to 5 Years	Total
1.1 FINANCE LEASES			
Interest on Redemption	44 014	53 973	97 987
Redemption	103 056	281 773	384 829
	147 070	335 746	482 816

Refer to Appendix A for more detail on leases

2. CONSUMER DEPOSITS		
Electricity and Water	403 983	376 620
Interest paid	0	
Total Consumer Deposits	403 983	376 620

3. CREDITORS		
Trade creditors	1 495 206	1 228 242
Payments received in advance	321 613	197 834
Retentions Suspense A/c	222 244	344 484
Deposits Other	579 640	
Consumer Debtors with Credit Balances	216 988	
Other creditors	368 420	7 554 092
Total Creditors	3 204 111	9 324 652

3.1. EMPLOYEE BENEFITS

Staff Leave

Balance as at the beginning of the Year	683 084	227 760
Contributions for the Year	156 401	639 886
Expenditure incurred	103 523	184 562
	735 962	683 084

Bonuses

Balance as at the beginning of the Year	393 487	-
Contributions for the Year	32 250	393 487
Expenditure incurred	-	
	425 737	393 487

Total Employee Benefits	1 161 699	1 076 571
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4. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

4.1 Conditional Grants from other spheres of Government

	1 241 870	1 810 078
MIG Grants (see note 21)	1 011 601	129 505
Financial Management	-	174 917
Municipal Systems Improvement	-	871 080
Water Drought Relief	172 954	634 576
NER	57 315	-

4.2 Other Conditional Receipts

	2 314 920	199 484
Sport Arts and Culture (Included in year end creditors)		61 210
Library Development (Included in year end creditors)		16 718
Dept. of Housing	2 214 186	
Public contributions	100 734	121 556

Total Conditional Grants and Receipts	3 556 790	2 009 562
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See Note 21 for reconciliation of grants from other spheres of government.
These amounts are invested in separate investment until utilized.

5. VAT**VAT payable**

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

-439 846	30 701
-439 846	30 701

6. PROPERTY, PLANT AND EQUIPMENT

30 June 2009

Reconciliation of Carrying Value	<u>Land and Buildings</u>	Infrastructure	Community	Heritage	Other	Investment Property	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2008	-	16 804 216	3 126 342	613 013	10 296 001	3 254 420		34 093 992
Cost	-	32 196 812	3 840 708	614 250	14 171 146	3 254 420		54 077 336
Correction of error (note)								-
Revaluation								-
Accumulated depreciation	-	15 392 596	714 366	1 237	3 875 145			19 983 344
-Cost	-	15 392 596	714 366	1 237	3 875 145	-		19 983 344
-Revaluation	-	-	-	-	-			
Acquisitions	38 199	4 439 563	379 003		3 878 874			8 735 639
Capital under Construction								-
Increases/decreases in revaluation	5 119 200	1 214 000	3 986 246	852 250	10 075 526	9 653 780		30 901 002
Depreciation	1 167	1 406 123	2 038 695	19	1 357 074	-	-	4 803 078
- based on Cost	1 167	1 406 123	2 038 695	19	1 357 074			4 803 078
- based on Revaluation								
Carrying value of disposals	-	-	56 255	-	1 574 067	808 300	-	56 255
Cost/revaluation			56 255		1 574 067	808 300		56 255
Accumulated depreciation								
Impairment losses								
Other movements								
Carrying values at 30 June 2009	5 156 232	21 051 656	5 438 658	1 465 244	21 319 260	12 099 900	-	66 530 950
Cost	38 199	36 636 375	4 163 456	614 250	16 475 953	2 446 120	-	60 374 353
Correction of error (note)								-
Revaluation	5 119 200	1 214 000	3 986 246	852 250	10 075 526	9 653 780		30 901 002
Accumulated depreciation	1 167	16 798 719	2 711 044	1 256	5 232 219	-	-	24 744 405
- Cost	1 167	16 798 719	2 753 061	1 256	5 232 219	-	-	24 786 422
- Revaluation			-42 017					-42 017

30 June 2008

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Housing Develop. Fund	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2007								
Cost	9 132 814	25 394 768	3 841 315	614 250	3 570 823			42 553 970
Correction of error (note 32)								0
Revaluation								0
Accumulated depreciation	1 191 422	14 602 920	550 093		2 227 205			18 571 640
- Cost	7 941 392	10 791 848	3 291 222	614 250	1 343 618	0	0	23 982 330
- Revaluation								
Acquisitions	87 480	6 817 049	147 731		547 258			7 599 518
Capital under Construction								
Increases/decreases in revaluation								
Depreciation	133 716	804 745	157 396	0	247 224	0	0	1 343 081
- based on Cost	133 716	804 745	157 396	0	247 224			1 343 081
- based on Revaluation								
Carrying value of disposals								
Cost/revaluation								
Accumulated depreciation								
Impairment losses								
Other movements								
Carrying values at 30 June 2008	7 895 156	16 804 152	3 281 557	612 750	1 643 652	0	0	30 237 267
Cost	9 220 294	32 211 817	3 989 046	612 750	4 118 081			50 151 988
Correction of error (note 32)								
Revaluation								
Accumulated depreciation	1 325 138	15 407 665	707 489	0	2 474 429	0	0	19 914 721
- Cost	1 325 138	15 407 665	707 489		2 474 429			19 914 721
- Revaluation								

Refer to Appendix B for more detail on property, plant and equipment

GRAP 17 - Property, Plant and Equipment

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all the Property, Plant and Equipment in accordance

Land;
 Property, Plant and Equipment financed by way of finance leases;
 Property, Plant and Equipment financed by way of provisions;
 Property, Plant and Equipment transferred as a result of the transfer of functions; and
 Componentised infrastructure assets.

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

Since the previous reporting date the following Property, Plant and Equipment were measured in accordance with GRAP 17 and restated retrospectively:

Land;
 Refuse tip-sites financed by way of a provision;
 Vehicles and Equipment financed by way of finance leases;
 Other small assets identified previously expensed; and
 Accumulated depreciation as a result of the identification of small assets previously expensed;
 Changes to accumulated depreciation as a result of the componentising of infrastructure assets
 Total not previously recognised now restated retrospectively

The municipality did not measure the following, in terms of the transitional provisions:

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

7. INVENTORY**2009****2008**

Consumable stores – at cost	420 057	6 303
Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities - Note 37		
Total Inventory	420 057	6 303

8. CONSUMER DEBTORS**As at 30 June 2009**

	Gross Balances	Provision for Bad Debts	Net Balance
Service debtors	17 088 681	5 041 424	12 047 257
Rates	5 644 513	1 665 218	3 979 295
Electricity	2 339 496	690 187	1 649 309
Water	3 946 575	1 164 301	2 782 274
Sewerage	5 158 097	1 521 718	3 636 379
Sundries and previous years	7 693 182	2 205 593	5 487 589
Sub-Total	24 781 863	7 247 017	17 534 846
Recognition of Revenue - Water	63 866	18 841	45 025
Recognition of Revenue - Electricity	212 545	62 704	149 841
Recognition of Revenue - Sanitation	72 847	21 491	51 356
	25 131 121	7 350 053	17 781 068

As at 30 June 2008

Service debtors	13 594 881	5 942 240	7 652 641
Rates	4 445 205	1 942 972	2 502 233
Electricity	1 576 521	689 088	887 433
Water	3 289 462	1 437 804	1 851 658
Sewerage	4 283 693	1 872 376	2 411 317
Sundries and previous years	9 095 540	3 975 605	5 119 935
Housing rentals			
Total	22 690 421	9 917 845	12 772 576

Rates: Ageing

	R	R
Current (0 – 30 days)	271 751	225 950
31 – 60 Days	118 551	117 459
61 – 90 Days	191 196	106 706
91 – 120 Days & Longer	5 063 015	3 995 090
121 – 365 Days		
+ 365 Days		
Total	5 644 513	4 445 205

(Electricity, Water and Sewerage): Ageing

Current (0 – 30 days)	1 288 320	1 071 507
31 – 60 Days	651 397	512 195
61 – 90 Days	557 243	417 935
91 – 120 Days & Longer	8 947 208	7 148 040
121 – 365 Days		
+ 365 Days		
Total	11 444 168	9 149 677

Summary of Debtors by Customer Classification**30 June 2009**

	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current (0 – 30 days)	1 385 866	271 971	182 681
31 – 60 Days	644 200	65 632	120 936
61 – 90 Days	557 618	49 888	229 810
91 – 120 Days	19 300 471	573 028	1 399 763
121 – 365 Days			
+ 365 Days			
Sub-Total	21 888 155	960 519	1 933 190
Less: Provision for bad debts	6 484 228	287 397	578 430
Total debtors by customer classification	15 403 927	673 122	1 354 760

Summary of Debtors by Customer Classification**30 June 2008**

	Consumers	Industrial/ Commercial	National and Provincial Government
	R	R	R
Current (0 – 30 days)	968 268	216 068	171 712
31 – 60 Days	538 583	67 361	58 233
61 – 90 Days	476 158	47 985	30 254
91 – 120 Days	17 634 990	1 230 084	1 250 725
121 – 365 Days			
+ 365 Days			
Sub-Total	19 617 999	1 561 498	1 510 924
Less: Provision for bad debts	8 574 908	682 521	660 415
Total debtors by customer classification	11 043 091	878 977	850 509

2009 2008

9. OTHER DEBTORS

Sundry Debtors	1 142 433	535 298
Suspense Account	65 494	
Unauthorized expenditure (see Note 36.1)		
Fruitless and wasteful expenditure (see Note 36.1)		

Total Other Debtors

1 207 927 535 298

10. CALL INVESTMENT DEPOSITS

32 Days CRR	1 185 405	1 327 081
Financial Management Grant	30 237	224 450
Municipal Systems Improvement Grant	168 185	943 924
Call deposit CRR	38 167	774 837
Hantam DBSA	86 531	0
Water	358 039	923 543
Nieuwoudtville Holiday Resort	0	1 027
Nieuwoudtville Housing	0	1 307
Municipal Infrastructure Grant	733 622	203 767
Ontwikkel 390 Erwe	374 175	435 594
232 Huise	51 585	5 392 949
110 Huise	1 198 944	1 519 196
40 Huise	730 842	
Other Deposits	4 955 732	11 747 675

11. BANK, CASH AND OVERDRAFT BALANCES**2009 2008**

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)**ABSA Bank Limited – Calvinia Branch
Account Number 1620 000 031**

Cash book balance at beginning of year	364 075	1 018 260
Cash book balance at end of year	<u>342 809</u>	<u>364 075</u>
Bank statement balance at beginning of year	798 429	1 108 610
Bank statement balance at end of year	<u>589 759</u>	<u>798 429</u>

**ABSA Bank Limited – Nieuwoudtville Branch
Account Number 1620 560 061**

Cash book balance at beginning of year	0	28 308
Cash book balance at end of year	<u>0</u>	<u>0</u>
Bank statement balance at beginning of year	0	28 308
Bank statement balance at end of year	<u>0</u>	<u>0</u>

**Standard Bank Limited – Loeriesfontein Branch
Account Number 08 303 0026**

Cash book balance at beginning of year-overdrawn	20 842	9 260
Cash book balance at end of year	<u>-11 187</u>	<u>20 842</u>
Bank statement balance at beginning of year	238 819	160 002
Bank statement balance at end of year	<u>47 030</u>	<u>238 819</u>

**First National Bank Limited – Brandvlei Branch
Account Number 5178 020 6351**

Cash book balance at beginning of year	31 447	24 590
Cash book balance at end of year	<u>13 058</u>	<u>31 447</u>
Bank statement balance at beginning of year	136 612	143 140
Bank statement balance at end of year	<u>26 286</u>	<u>136 612</u>

Petty Cash and Counter Advances	<u>1 275</u>	<u>1 775</u>
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12. PROPERTY RATES

	2009	2008
Actual		
Residential	3 809 211	3 352 324
Commercial		
Farms	1 711 117	
State		
LESS: Income foregone	-1 185 751	
Total Assessment Rates	4 334 577	3 352 324

Valuations

	2009 R000's	2008 R000's
Residential	347 399 310	94 275 178
Commercial	113 710 620	0
State	57 286 360	16 569 730
Municipal	32 155 385	309 897
Farmland	928 232 169	
Total Property Valuations	1 478 783 844	111 154 805

Brandvlei: Land and Buildin 0.007384605
 Loeriesfontein: Land and Building 0.007384605
 Calvinia: Land and Building 0.007384605
 Nieuwoudtville Land and Building 0.007384605
 Farmland: 0.001846151

13. SERVICE CHARGES

Sale of electricity	9 270 848	6 857 764
Sale of water	4 200 111	3 736 541
Refuse removal	2 560 340	2 348 535
Sewerage and sanitation charges	2 118 155	1 864 961
Service Charges Other	310 348	322 042
LESS: Income Foregone	-1 367 916	-1 042 508
Total Service Charges	17 091 886	14 087 335

14. GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	9 622 336	7 587 499
Provincial health subsidies	0	86 000
MIG Grant (Capital Grant see 21.3)		
Financial management grant	500 000	548 603
Municipal System Improvement Grant	735 000	550 039
Sport Art and Culture	0	100 000
Provincial Library	236 000	195 000
Namaqua District Council		174 919
NER	75 685	
Total Government Grant and Subsidies - Operating Grants and Subsidies	11 169 021	9 242 060

14.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy of R80 (2008: R80), which is funded from this grant.

9 622 336 7 587 499

14.2 Provincial Health Subsidies

Balance unspent at beginning of year	0	0
Current year receipts – included in public health vote	0	86 000
Conditions met – transferred to revenue	0	86 000
	0	0

14.3 MIG Grant

Balance unspent at beginning of year	129 504	1 835 877
Current year receipts	4 445 000	2 822 799
Conditions met – transferred to revenue	3 562 903	4 529 172
Conditions still to be met – transferred to liabilities (see note)	1 011 601	129 504

This grant was used to construct sewerage infrastructure and High Masts (Refer to Capital Grants)

14.4 Provincial LED Projects

	2009	2008
Balance unspent at beginning of year	0	-251 083
Current year receipts	0	251 083
Conditions met – transferred to revenue		0
Conditions still to be met – transferred to liabilities (see note)	<u>0</u>	<u>0</u>

14.5 Financial Management Grant

Balance unspent at beginning of year	174 917	223 519
Current year receipts	500 000	500 000
Conditions met – transferred to revenue	674 917	548 602
Conditions still to be met – transferred to liabilities (see note)	<u>0</u>	<u>174 917</u>

Financial management Grant are used to build capacity in the financial department to comply with the mfma

14.6 Municipal Systems Improvement Grant

Balance unspent at beginning of year	871 080	687 119
Current year receipts	735 000	734 000
Conditions met – transferred to revenue	1 606 080	550 039
Conditions still to be met – transferred to liabilities (see note)	<u>0</u>	<u>871 080</u>

This grant are used to implement a new financial system to be grap appliance and the funds not spent will be used for farm valuations and performance management

14.7 Drought Relief

Balance unspent at beginning of year	634 576	1 953 722
Current year receipts		0
Conditions met – transferred to revenue	461 622	1 319 146
Conditions still to be met – transferred to liabilities (see note - Refer to Capital G	<u>172 954</u>	<u>634 576</u>

This grant are used to improve our water situation during the long drought by building a pipeline of 25 km

14.8 NIEUWOUDTVILLE HOUSING

Balance unspent at beginning of year	0	431 843
Current year receipts	0	399 222
Conditions met – transferred to revenue	0	831 065
Conditions still to be met – transferred to liabilities (see note)	<u>0</u>	<u>0</u>

Used to build houses in Nieuwoudtville

14.9 SPORT ARTS AND CULTURE

Balance unspent at beginning of year	61 210	-
Current year receipts		100 000
Conditions met – transferred to revenue	61 210	38 790
	<u>0</u>	<u>61 210</u>

14.10 LIBRARY DEVELOPMENT PROGRAM

Balance unspent at beginning of year	16 719	30 172.00
Current year receipts	236 000	195 000.00
Conditions met – transferred to revenue	231 762	208 453.00
	<u>20 957</u>	<u>16 719</u>

14.11 NATIONAL ELECTRIFICATION REGULATOR

Balance unspent at beginning of year	0	
Current year receipts	133 000	
Conditions met – transferred to revenue	75 685	
Conditions still to be met – transferred to liabilities (see note)	<u>57 315</u>	

14.12 232 HOUSES CALVINIA

Balance unspent at beginning of year	5 298 160	
Current year receipts	0	
Conditions met	5 298 160	
	<u>0</u>	

14.13 110 HOUSES BRANDVLEI

Balance unspent at beginning of year	1 502 786	
Current year receipts	4 217 226	
Conditions met	4 225 673	
	<u>1 494 339</u>	

14.14 40 HOUSES CALVINIA

Balance unspent at beginning of year	0	
Current year receipts	3 082 219	
Conditions met	2 362 372	
	<u>719 847</u>	

15. OTHER INCOME

Other income	440 756	338 070
Total Other Income	<u>440 756</u>	<u>338 070</u>

16. EMPLOYEE RELATED COSTS

	2009	2008
Employee related costs – Salaries and Wages	10 119 817	9 485 750
Employee related costs – Contributions for UIF, pensions and medical aids	2 170 226	1 793 131
Travel, motor car, accommodation, subsistence and other allowances	794 296	609 761
Housing benefits and allowances	210 817	121 344
Overtime payments	357 172	254 074
Total Employee Related Costs	13 652 328	12 264 060

There were no advances to employees.

Remuneration of the Municipal Manager

Annual Remuneration		321 226
Performance Bonuses		
13th Cheque		25 844
Long Service Bonus		0
Car Allowance		75 850
Contributions to UIF, Medical and Pension Funds		159 630
Total	0	582 550

Remuneration of the Chief Finance Officer

Annual Remuneration	303 775	225 984
Performance Bonuses		
13th Cheque	19 041	17 582
Car Allowance	76 165	70 328
Contributions to UIF, Medical and Pension Funds	67 211	68 034
Total	466 192	381 928

Remuneration of Individual Executive Directors

30 June 2009	Technical Services R	Corporate Services R	Community Services R
Annual Remuneration	241 338	302 823	239 551
Performance Bonuses			
13th Cheque	19 113	18 722	18 833
Car Allowance	76 451	74 887	75 331
Medical and pension funds	68 507	60 351	65 465
Total	405 409	456 783	399 180

30 June 2008

	Technical Services R	Corporate Services R	Community Services R
Annual Remuneration	296 641	339 856	293 353
Performance Bonuses			
Car Allowance	70 592	69 148	69 558
Medical and pension funds	98 771	92 783	102 060
Total	466 004	501 787	464 971

17. REMUNERATION OF COUNCILLORS

Full Time Mayor	364 262	446 540
Councillors	866 869	1 077 796
Cell Phone Allowance	89 077	
Travel Allowance	410 374	

Total Councillors' Remuneration	1 730 582	1 524 336
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	2009	2008
18. INTEREST PAID		
Long-term liabilities:Annuity Loan	58 637	6 022
Finance leases	103 263	
Total Interest on External Borrowings	161 900	6 022
19. BULK PURCHASES		
Electricity	5 316 049	3 902 275
Water	25 350	6 724
Total Bulk Purchases	5 341 399	3 908 999
20. GRANTS AND SUBSIDIES PAID		
Grant paid to Schools	86 060	2 340
Total Grants and Subsidies	86 060	2 340
21. GENERAL EXPENSES		
Included in general expenses is the following:-	8 827 754	7 417 692
General Expenses Departments	7 359 071	5 600 088
Financial services	1 280 032	784 231
Transfers to provisions	188 651	1 033 373
22. CHANGE IN ACCOUNTING POLICY		
	0	0
23. CORRECTION OF ERROR		
Take-On of Store Items	420 057	
Correction of VAT on Consumer Debtors	30 795	
Take-On of Photocopiers - Finance Lease	131 180	
Correction of Assets - Depreciation - I-Chain	-68 638	
Correction of Opening Balances - I-Chain	11 506 300	
	12 019 694	0

	2009	2008
24. CASH GENERATED BY OPERATIONS		
Surplus for the year	2 413 214	8 659 061
Adjustment for:-		2 319 343
Depreciation	6 389 093	1 343 081
Gain on disposal of property, plant and equipment		
Prior Year Adjustments	582 035	
Contribution to provisions – non-current		0
Contribution to provisions – current		
Contribution to bad debt provision	1 264 523	1 067 260
Equity accounted share of associate's surplus		
Dividends received		
Investment income	-768 594	-550 193
Interest paid	161 900	6 022
Operating surplus before working capital changes:	10 042 171	12 844 574
Decrease in inventories	-413 754	0
(Increase)/decrease in debtors	-6 273 015	-3 588 927
(Increase)/decrease in other debtors	-1 112 475	2 586 695
(Decrease)/increase in conditional grants and receipts	1 625 157	-3 203 059
Increase in creditors	-6 035 414	-715 472
Decrease in provisions	0	0
Increase in VAT	30 701	-2 763
Cash generated by/(unauthor in) operations	-2 136 629	7 921 048

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	345 956	418 139
Bank overdraft		0
Total cash and cash equivalents	345 956	418 139

26. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	
Used to finance property, plant and equipment – at cost	
Sub- total	
Cash set aside for the repayment of long-term liabilities (see note 17)	
Cash invested for repayment of long-term liabilities	

27. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

27.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure	
Opening balance	
Unauthorised expenditure current year	
Approved by Council or condoned	
Transfer to receivables for recovery	
Unauthorised expenditure awaiting authorisation	0

<u>Incident</u>	<u>Disciplinary steps/criminal proceedings</u>
Unbudgeted expenditure	Disciplinary hearing held on

27.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure	
Opening balance	
Fruitless and wasteful expenditure current year	7 132
Condoned or written off by Council	
To be recovered – contingent asset (see note)	
Fruitless and wasteful expenditure awaiting condonement	7 132

Incident Advertisement for Municipal Manager- no appointment

	2009	2008
<u>27.3 Irregular expenditure</u>		
Reconciliation of irregular expenditure		
Opening balance	522 763	
Fruitless and wasteful expenditure current year		522 763
Condoned or written off by Council	522 763	
Transfer to receivables for recovery – not condoned		
Irregular expenditure awaiting condonement	0	522 763

Incident **Disciplinary steps/criminal proceedings**

28. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

28.1 Contributions to organized local government

Opening balance
Council subscriptions
Amount paid – current year
Amount paid – previous years
Balance unpaid (included in creditors)

28.2 Audit fees

Opening balance
Current year audit fee
Amount paid – current year
Amount paid – previous years -
Balance unpaid (included in creditors)

	679 622	354 903
Balance unpaid (included in creditors)	679 622	354 903

The regulation of 1% is still in place, but due to the outsourcing by the Auditor-General the cost is extremely high and the matter is taken up with the Auditor-General

28.3 VAT

All VAT returns have been submitted by the due date throughout the year.

28.4 PAYE and UIF

Opening balance
Current year payroll deductions
Amount paid – current year
Amount paid – previous years
Balance unpaid (included in creditors)

	1 446 790	1 446 790
	1 446 790	1 446 790
Balance unpaid (included in creditors)	0	0

28.5 Pension and Medical Aid Deductions

Opening balance
Current year payroll deductions and Council Contributions
Amount paid – current year
Amount paid – previous years
Balance overpaid

	2 601 002	2 601 002
	2 601 002	2 601 002
Balance overpaid	0	0

28.6 Councillor's arrear consumer accounts

2009 2008

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

30th June 2009	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
	<u>R</u>	<u>R</u>	<u>R</u>
Councillor F.J.Sterkse	454	454	
Total Councillor Arrear Consumer Accounts	454	454	0
30th June 2008	<u>Total</u>	<u>Outstanding less than 90 days</u>	<u>Outstanding more than 90 days</u>
	<u>R</u>	<u>R</u>	<u>R</u>
Councillor F.J.Sterkse	68	68	
Councillor A.Kammies	1 909	662	1 246
Councillor A.Kammies	1 796	521	1 275
Total Councillor Arrear Consumer Accounts	3 773	1 251	2 521

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

	<u>Highest Amount Outstanding</u>	<u>Ageing</u>
30th June 2009		
Councillor F.J.Sterkse		
30th June 2008		
Councillor A.Kammies	1 247	90 days plus
Councillor A.Kammies	1 276	90 days plus

28.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act **2009** **2008**

Section 75 - No Information were put onto the Website. No website implemented
 Section 129 - No Oversight Report issued regarding the Annual report
 Section 165 - No Internal Audit Unit with Audit Committee established.

29. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for	0	0
Infrastructure		0
Community		
Heritage		
Other		
Housing Development Fund		0
Investment Properties		
- Approved but not yet contracted for		
Infrastructure		
Community		
Heritage		
Other		
Housing Development		
Investment Properties		
Total	0	0

This expenditure will be financed from:

- External Loans		
- Capital Replacement Reserve		
- Government Grants		
- Own resources		
- District Council Grants		
Total	0	0

30. RETIREMENT BENEFIT INFORMATION

All employees contribute to the Cape Joint Municipal Pension Fund and SAMWU National Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by employees are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuation was done on 31 March 2005.

31. CONTINGENT LIABILITY

0	0
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32. FINANCIAL RISK MANAGEMENT

Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk). Credit risk and liquidity risk. The municipality overall risk management programme focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The municipality does not engage in foreign currency transactions

(b) Interest Rate Risk

The municipality is exposed to interest rate risk due to the movements in long-term and short-term interest rates.
 The risk is managed on an ongoing basis.

(c) Credit risk**2009****2008**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to investments

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of B+ are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to consumers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and appropriate level of impairment provision for default is maintained.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

(e) Other risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction/exposure limits which are included in the municipality's investment policy. These limits are reviewed annually by the CFO and authorised by the Municipal Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial conditions of these debtors. Consumer debtors are presented by net of an allowance for doubtful debt.

such accounts by "levying of penalty charges", "demand for payment", "restriction of services", and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-Term Receivables and Other Debtors are individually at Balance Sheet date for impairment of discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment/discounting, where applicable.

The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:

Short Term Investment Deposits	4 955 732	11 747 675
Bank and Cash Balances	345 956	418 139
VAT		30 701
Minimum Credit and interest Risk Exposures	5 301 688	12 196 515

33. FINANCIAL INSTRUMENTS**Consumer Debtors**

Service Debtors	Loans and Receivables	12 047 257	7 652 641
Other Debtors	Loans and Receivables	5 270 601	5 119 935

Other Debtors

Sundry debtors	Loans and Receivables	1 647 773	535 298
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Short-Term Investment Deposits

Call deposits	Held to maturity	4 955 732	11 747 675
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Bank Balances and Cash

Bank Balances and Cash	Held to maturity	344 681	416 364
Cash Floats and Advances		1 275	1 775

SUMMARY OF FINANCIAL ASSETS**2009****2008****Held to maturity**

Short-Term Investments	4 955 732	11 747 675
Bank Balances and Cash	344 681	416 364
Cash Floats and Advances	1 275	1 775

5 301 688

12 165 814

Loans and Receivables

Consumer debtors	Services	12 047 257	7 652 641
Consumer debtors	Other	5 270 601	5 119 935
Other Debtors	Sundry Debtors	1 647 773	535 298
VAT			30 701
		18 965 631	13 338 575
Total Financial Assets		24 267 319	25 504 389

Financial Liabilities

In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows (FVTPL = Fair Value through Profit or Loss)

Long-Term Liabilities			
Annuity Loans	At amortised cost	2 860 619	19 580
Lease Liability	At amortised cost	281 773	
Consumer Deposits			
Electricity and Water	At amortised costs	403 983	376 620
Payables			
Trade payables	At amortised costs	6 363 008	10 401 224
Current portion of Long-Term Liabilities			
Annuity Loans	At amortised costs	158 961	10 737
Lease Liability	At amortised costs	103 056	
		10 171 400	10 808 161

34. EVENTS AFTER REPORTING DATE

None

35. PRIVATE PUBLIC PARTNERSHIPS

None

36. COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexure "E (1) and E (2)".

37. EXEMPTION TAKEN ACCORDING TO DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES**37.1 GRAP 19 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following provisions, contingent liabilities or contingent assets relating to Property, Plant and Equipment and Employee cost:

- Refuse tip-sites financed by way of a provision;
- Long Services Bonuses

The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

37.2 GRAP 100 - NON CURRENT ASSETS AND DISCONTINUED OPERATIONS

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards.

2009 **2008**

37.3 GRAP 16 - INVESTMENT PROPERTIES

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not fair value all the Investment Properties:

The municipality is currently in a process of valuing all Investment Properties in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

37.4 GRAP 102 - INTANGIBLE ASSETS

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

- Computer Software;
- Intangible assets financed by way of finance leases;

- Servitudes.

The municipality is currently in a process of identifying all Intangible Assets and has it valued in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2010 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.

37.5 GRAP 12 - INVENTORIES

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did not recognise the following inventories: Land held for sale

Unpurified Water
Game in the reserve
Purified Water in the network system
Pre-Paid electricity meters installed

The municipality is currently in a process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2010 financial statements.

38. PROCESS TO COMPLY FULLY WITH THE IMPLEMENTATION OF GENERAL RECOGNISED ACCOUNTING PRACTICES (GRAP)

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a low capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and aims to comply fully with GRAP by 30 June 2011.

39. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers/residents.

39.1 Related Parties Transactions

	Rates	Services	Other	Outstanding
Year ended 30 June 2009				
Councillors	1 884	8 554	326	454
Municipal Manager and Senior Management	11 176	27 316	19 244	0
Year ended 30 June 2008				
Councillors	2 895	6 438	0	3 773
Municipal Manager and Senior Management	8 666	25 421	17 780	0

The Rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owing by related parties.

39.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 16 to the Annual Financial Statements.

APPENDIX A
HANTAM LOCAL MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/2008	Received during the period	Redeemed written off during the period	Balance at 30/06/2009	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
LONG-TERM LOANS			R	R	R	R	R	R
Total long-term loans								
ANNUITY LOANS								
DBSA Loan @16.15% over 20 Years	601	2010	30 316.52		10 736.80	19 579.72	90 000.00	
DBSA Loan @ 5% over 6 Years	102858	2016		3 000 000.00		3 000 000.00	2 992 892.00	
Total Annuity loans			30 316.52	3 000 000.00	10 736.80	3 019 579.72	3 082 892.00	
GOVERNMENT LOANS								
Other								
Total Government Loans								
LEASE LIABILITIES								
Nashua Lease @15.31% over 5 Years		2013	87 014.95		12 848.39	74 166.56	70 400.00	
Nashua Lease @ 8.72% over 4 Years		2009	7 451.61		5 507.12	1 944.49	5 667.00	
Nashua Lease @ 1.77% over 5 Years		2013	33 882.62		6 774.01	27 108.61	56 333.00	
Nashua Lease @12.70% over 5 Years		2013	48 791.97		7 807.51	40 984.46	21 667.00	
Nashua Lease @12.70% over 5 Years		2013	48 791.97		7 807.51	40 984.46	49 167.00	
Nashua Lease @18.33% over 5 Years		2013		35 000.00	2 642.02	32 357.98	31 500.00	
Gestener Lease @3.78% over 5 Years		2012	33 846.30		7 644.58	26 201.72	27 417.00	
Nashua Lease @12.70% over 5 Years		2014		50 000.00	1 208.02	48 791.98	39 167.00	
Nashua Lease @15.59% over 5 Years		2011	35 221.01		9 639.00	25 582.01	39 167.00	
Nashua Lease @15.84% over 5 Years		2011	91 744.42		25 037.42	66 707.00	25 332.00	
						-		
Total Lease Liabilities			386 744.85	85 000.00	86 915.58	384 829.27	365 817.00	
TOTAL EXTERNAL LOANS			417 061.37	3 085 000.00	97 652.38	3 404 408.99	3 448 709.00	

APPENDIX B
HANTAM LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget Additions 2009
	Opening Balance	Additions	Revaluations	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Land and Buildings											
Land		38 199	4 057 100		4 095 299		1 167		1 167	4 094 132	
Buildings			1 062 100		1 062 100	-			-	1 062 100	157 325
	-	38 199	5 119 200	-	5 157 399	-	1 167	-	1 167	5 156 232	157 325
Infrastructure											
Drains					-				-	-	
Roads	4 263 742	3 169 680	801 000		8 234 422	3 483 252	196 056		3 679 308	4 555 114	10 100
Security Measures	24 427				24 427	4 071	2 443		6 514	17 913	
Sewerage Mains & Purif	8 661 915	537 314			9 199 229	649 774	567 750		1 217 524	7 981 705	536 800
Electricity Mains	6 304 872	144 148	66 000		6 515 020	3 374 881	305 626		3 680 507	2 834 513	4 494 400
Electricity Peak Load Equip					-				-	-	
Water Mains & Purification	12 780 385	588 421	185 000		13 553 806	7 754 418	326 824		8 081 242	5 472 564	1 067 365
Reservoirs – Water					-				-	-	
Car Parks	13 000		162 000		175 000				-	175 000	
Aerodrome	148 471				148 471	126 200	7 424		133 624	14 847	
	32 196 812	4 439 563	1 214 000	-	37 850 375	15 392 596	1 406 123	-	16 798 719	21 051 656	6 108 665
Community Assets											
Buildings	2 727 197	220 438	1 569 917	56 255	4 461 297	429 025	23 243	42 017	410 251	4 051 046	24 700
Libraries					-				-	-	20 000
Recreation Grounds	1 113 511	158 565	2 416 329		3 688 405	285 341	2 015 452		2 300 793	1 387 612	115 610
Cemeteries					-				-	-	125 575
	3 840 708	379 003	3 986 246	56 255	8 149 702	714 366	2 038 695	42 017	2 711 044	5 438 658	285 885
Heritage Assets											
Historical Buildings	612 750		852 250		1 465 000				-	1 465 000	
Vehicles	1 500				1 500	1 237	19		1 256	244	
	614 250	-	852 250	-	1 466 500	1 237	19	-	1 256	1 465 244	-
Total carried forward	36 651 770	4 856 765	11 171 696	56 255	52 623 976	16 108 199	3 446 004	42 017	19 512 186	33 111 790	6 551 875

	Cost/Revaluation					Accumulated Depreciation				Carrying Value	Budget Additions 2009
	Opening Balance	Additions	Revaluations	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance		
Total brought forward	36 651 770	4 856 765	11 171 696	56 255	52 623 976	16 108 199	3 446 004	42 017	19 512 186	33 111 790	6 551 875
Investment Property											
Land	3 254 420		9 653 780	808 300	12 099 900					12 099 900	
	3 254 420	-	9 653 780	808 300	12 099 900	-	-	-	-	12 099 900	-
Leased Assets (Infrastructure)											
Sewerage Mains & Purify											
	-	-	-	-	-	-	-	-	-	-	-
Other Assets											
					-				-	-	
					-				-	-	
Office Equipment	1 378 064	660 149			2 038 213	154 816	148 091		302 907	1 735 306	559 395
Bins and Containers		10 097			10 097				-	10 097	
Emergency Equipment	107 315	-			107 315	66 468	13 641		80 109	27 206	42 000
Motor vehicles	3 478 909	3 128 797			6 607 706	1 474 095	341 060		1 815 155	4 792 551	3 178 894
Buildings	6 379 771	24 685	10 075 526	1 574 067	14 905 915	1 434 886	771 253		2 206 139	12 699 776	
Furniture & Fittings	1 710 813	-			1 710 813	101 830	34 705		136 535	1 574 278	
Plant & Equipment	1 116 274	55 146			1 171 420	643 050	48 324		691 374	480 046	
Cemeteries					-				-	-	
Environmental Health					-				-	-	
Traffic Services					-				-	-	95 000
	14 171 146	3 878 874	10 075 526	1 574 067	26 551 479	3 875 145	1 357 074	-	5 232 219	21 319 260	3 875 289

Total	54 077 336	8 735 639	30 901 002	2 438 622	91 275 355	19 983 344	4 803 078	42 017	24 744 405	66 530 950	10 427 164
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APPENDIX C
HANTAM LOCAL MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
AS AT 30 JUNE 2009

	Cost/Revaluation						Accumulated Depreciation						Carrying Value
	Opening Balance	Additions	Revaluation	Disposals		Closing Balance	Opening Balance	Additions	Revaluation	Disposals		Closing Balance	
				Transfers	Write-Off					Transfer	Write-Off		
Municipal Manager		312 230		2 423	-2 423	312 230	18 333	10 628				28 961	283 269
Administration	164 848	1 797 173				1 962 021	126 838	58 470				185 308	1 776 713
Human Resources		20 786				20 786						-	20 786
I D P		44 322				44 322		536				536	43 786
Finance	15 785	720 071				735 856	13 656	56 591				70 247	665 609
Cemeteries	92 303	115 569	299 900		-38 332	469 440	48 367	-1 968			38 332	8 067	461 373
Roads & Streets	4 264 235	146 160	695 500	105 467	-105 467	5 105 895	3 483 252	220 049				3 703 301	1 402 594
Civic Buildings	9 908 461	147 206	21 843 003	-853 190	-1 547 100	29 498 380	1 388 817	875 704			3 685	2 260 836	27 237 544
Nature Reserve	25 556					25 556	5 111	1 704				6 815	18 741
Sportgrounds	2 703 219	158 602	2 435 146			5 296 967	182 188	1 965 783				2 147 971	3 148 996
Swimmingpool	115 452		275 000			390 452	115 452	-				115 452	275 000
Aerodrome	307 045					307 045	126 200	52 353				178 553	128 492
Caravan Park	709 422	17 416				726 838	42 439	25 903				68 342	658 496
Disaster Management	20 879	8 028				28 907	16 048	2 836				18 884	10 023
Traffic	490 574	234 011	5 035 453			5 760 038	226 473	-34 422				192 051	5 567 987
Public Works	3 236 746	3 183 946		745 300	-745 300	6 420 692	2 070 970	371 746				2 442 716	3 977 976
Health Environmental	60 000	73 316	66 000			199 316		-				-	199 316
Libraries	390 687	733 456				1 124 143	313 522	9 984				323 506	800 637
Sanitation & Sewerage	8 701 239	838 536				9 539 775	668 741	573 400				1 242 141	8 297 634
Water	12 630 507	711 907	185 000			13 527 414	7 746 056	332 646				8 078 702	5 448 712
Electricity	6 315 029	3 398 253	66 000			9 779 282	3 390 881	281 137				3 672 018	6 107 264
TOTAL	50 151 987	12 660 988	30 901 002	-	-2 438 622	91 275 355	19 983 344	4 803 080	-	-	42 017	24 744 407	66 530 948

APPENDIX D
HANTAM LOCAL MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 JUNE 2009

2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus/ (Deficit) R		2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R
417 165	4 146 400	-3 729 235	Executive & Council	463 464	3 530 134	-3 066 670
9 592 730	5 204 922	4 387 808	Finance & Admin	15 670 272	4 516 406	11 153 866
	335 862	-335 862	Planning & Development		377 173	-377 173
176 932	114 221	62 711	Health	300 564	148 208	152 356
1 034 750	1 047 143	-12 393	Community & Social Services	1 268 167	1 084 950	183 217
		0	Housing			0
1 070 671	846 844	223 827	Public Safety	1 178 925	887 030	291 895
251 678	404 714	-153 036	Sport & Recreation	95 515	2 311 270	-2 215 755
		0	Environmental Protection			0
5 021 614	4 192 160	829 454	Waste Management	6 136 896	4 856 328	1 280 568
174 919	2 355 616	-2 180 697	Road Transport	79 630	2 790 193	-2 710 563
9 934 763	3 416 456	6 518 307	Water	4 596 522	4 217 580	378 942
8 195 374	7 154 400	1 040 974	Electricity	10 745 203	9 341 947	1 403 256
186 021	1 197 529	-1 011 508	Other	1 789 343	4 264 053	-2 474 710
36 056 617	30 416 267	5 640 350	Sub Total	42 324 501	38 325 272	3 999 229
	1 692 322	-1 692 322	Less Inter-Dep Charges		1 613 286	-1 613 286
36 056 617	28 723 945	7 332 672	Total	42 324 501	36 711 986	5 612 515

APPENDIX E(1)
HANTAM LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009

REVENUE	2009 Actual (R)	2009 Budget (R)	2009 Variance (R)	2009 Variance (%)	<u>Explanation of Significant Variances greater than 10% versus Budget</u>
Property rates	4 334 577	4 378 965	-44 388	-1.0	
Property rates - penalties imposed and collection charges					
Service charges	17 091 886	16 323 725	768 161	4.7	
Regional Services Levies - turnover					
Regional Services Levies - remuneration					
Rental of facilities and equipment	1 797 390	2 307 085	-509 695	-22.1	Upcoming farmers not pay commonage rent
Interest earned - external investments	768 594	290 000	478 594	165.0	Interest on projects to income-Nat.treasury
Interest earned - outstanding debtors	1 060 014	854 000	206 014	24.1	Increase in outstanding debt
Dividends received					
Fines	99 069	83 000	16 069	19.4	Increase in court and library fines
Licences and permits	1 062 890	932 150	130 740	14.0	Residence of other provinces pay licences with us
Income for agency services					
Government grants and subsidies	11 169 021	11 319 000	-149 979	-1.3	
Other income	440 756	1 429 218	-988 462	-69.2	Provision for depreciation
Public contributions, donated/contributed	4 500 303	0	4 500 303		
Gains on disposal of property, plant and equipment	0		0		
Total Revenue	42 324 500	37 917 143	4 407 357	11.6	
EXPENDITURE					
Employee related costs	13 652 328	15 428 053	-1 775 725	-11.5	Municipal Manager not appointed
Remuneration of Councillors	1 730 582	1 744 905	-14 323	-0.8	
Bad debts	1 264 523	1 264 523	0	0.0	
Collection costs	20 405	20 000	405	2.0	
Depreciation	4 803 079	1 160 930	3 642 149	313.7	Depreciation on revaluations
Repairs and maintenance	1 997 920	2 108 377	-110 457	-5.2	
Interest on external borrowings	161 900	68 888	93 012	135.0	Interest on Finance Leases
Bulk purchases	5 341 399	5 361 480	-20 081	-0.4	
Contracted services	439 322	351 200	88 122	25.1	NER payments see grants
Grants and subsidies paid	86 060	288 280	-202 220	-70.1	Rates on exempted accounts not debited
General expenses - other	8 827 754	9 781 844	-954 090	-9.8	
Incentive Customers			0		
Loss on disposal of property, plant and equipment		0	0		
Total Expenditure	38 325 272	37 578 480	746 792	2.0	
NET SURPLUS/(DEFICIT) FOR THE YEAR	3 999 228	338 663			

APPENDIX E(2)

HANTAM LOCAL MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	<u>2009</u> <u>Actual</u>	<u>2009</u> <u>Under</u> <u>Construction</u>	<u>2009</u> <u>Total</u> <u>Additions</u>	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Variance</u>	<u>2009</u> <u>Variance</u>	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Land and Buildings							
Land							
Buildings	5 157 399		5 157 399	157 325	5 000 074	3178.2	Revaluations
	5 157 399	-	5 157 399	157 325	5 000 074		
Infrastructure					-		
Drains					-		
Roads	3 970 680		3 970 680	10 100	3 960 580	39213.7	Revaluations
Sewerage Mains & Purif	537 314		537 314	536 800	514	0.1	
Electricity Mains	210 148		210 148	4 494 400	-4 284 252	-95.3	Unspent Grants
Security Measures			-		-		
Water Mains & Purification	773 421		773 421	1 067 365	-293 944	-27.5	Unspent Grants
Reservoirs – Water			-		-		
Car Parks	162 000		162 000		162 000		
Aerodrome			-		-		
	5 653 563		5 653 563	6 108 665	-455 102	-7.5	
Community Assets					-		
Buildings	1 790 355		1 790 355	24 700	1 765 655	7148.4	Fencing at Nieuwoudtville Caravanpark not done
Libraries			-	20 000	-20 000	-100.0	
Recreation Grounds	2 574 894		2 574 894	115 610	2 459 284	2127.2	Revaluations
Cemeteries				125 575	-125 575	-100.0	Revaluations
	4 365 249		4 365 249	285 885	4 079 364	1426.9	
Heritage Assets					-		
Historical Buildings	852 250				-		
Painting & Art Galleries					-		
	852 250		-	-	-		
Total carried forward	16 028 461		15 176 211	6 551 875	8 624 336	131.6	

	<u>2009</u> <u>Actual</u>	<u>2009</u> <u>Under</u> <u>Construction</u>	<u>2009</u> <u>Total</u> <u>Additions</u>	<u>2009</u> <u>Budget</u>	<u>2009</u> <u>Variance</u>	<u>2009</u> <u>Variance</u>	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	(Explanations to be recorded)
Total brought forward	16 028 461		15 176 211	6 551 875	8 624 336	131.6	
Investment Properties					-		
Land	9 653 780		9 653 780		9 653 780		
					-		
	9 653 780		9 653 780	-	9 653 780		
Leased Assets (Infrastructure)					-		
Sewerage Mains & Purify					-		
	-		-	-	-		
Other Assets					-		
			-		-		
Office Equipment	1 811 120		1 811 120	559 395	1 251 725	223.8	
Furniture & Fittings	1 489 157		1 489 157		1 489 157		
Bins and Containers	10 097		10 097		10 097		
Emergency Equipment	13 066		13 066	42 000	-28 934	-68.9	Expenditure will be paid by the District Council
Motor vehicles	4 073 842		4 073 842	3 178 894	894 948	28.2	
Buildings	10 100 211		10 100 211		10 100 211		
Plant & Equipment	382 256		382 256		382 256		
Computer equipment			-		-		
Cemeteries			-		-		
Environmental Health			-		-		
Traffic Services			-	95 000	-95 000	-100.0	
	17 879 749		17 879 749	3 875 289	14 004 460	361.4	
Total	43 561 990		42 709 740	10 427 164	32 282 576	309.6	

APPENDIX F
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Balance Unspent 01-Jul-08	Quarterly Receipts					Quarterly Expenditure					Balance Unspent 30/06/09	Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	
			Sept	Dec	March	June	Total	Sept	Dec	March	June	Total			Sept	Dec	March	June			
Financial Management	DPLG	174 917	500 000				500 000	151 426	142 546	207 381	173 564	674 917	0							Yes	
MIG		129 505	1 000 000	3 145 000		300 000	4 445 000	764 214	2 083 381	254 880	460 428	3 562 903	1 011 602							Yes	
Municipal Systems	DPLG	871 080	735 000				735 000	97 218	407 124	379 663	722 075	1 606 080	0							Yes	
NER			85 000		48 000		133 000				75 685	75 685	57 315							Yes	
		1 175 502	2 320 000	3 145 000	48 000	300 000	5 813 000	1 012 858	2 633 051	841 924	1 431 752	5 919 585	1 068 917	0	0	0	0				